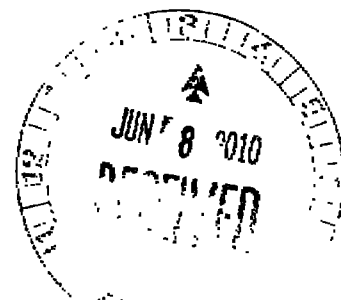


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PUBLIC VERSION

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Docket No. 42113



**ARIZONA ELECTRIC POWER COOPERATIVE, INC.
v.
BNSF RAILWAY COMPANY AND UNION PACIFIC RAILROAD COMPANY**

**ERRATA TO JOINT REPLY EVIDENCE OF DEFENDANTS
BNSF RAILWAY COMPANY AND UNION PACIFIC RAILROAD COMPANY**

ENTERED
Office of Proceedings
JUN 8 2010
Part of
Public Record

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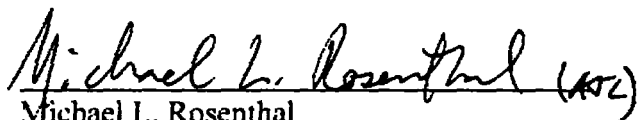
June 8, 2010

**ERRATA TO JOINT REPLY EVIDENCE OF DEFENDANTS
BNSF RAILWAY COMPANY AND UNION PACIFIC RAILROAD COMPANY**

In the course of a post-filing review of their workpapers, defendants BNSF Railway Company (“BNSF”) and Union Pacific Railroad Company (“UP”) determined that those workpapers contained certain errors relating to the track construction costs for ANR-PRB. In particular, the track construction costs for ANR-PRB erroneously included the track miles for the Pueblo, Colorado, to Stratford, Texas, segment of the ANR and omitted certain second main track miles for the line segment from El Paso, Texas, to Deming, New Mexico.

With this filing, defendants are submitting replacement track construction workpapers that correct these errors. In addition, replacement pages are being provided where corrections in the workpapers required corresponding corrections in the narrative evidence. The replacement page for table III.F.1 also corrects minor typographical errors in the previous version of that table. As shown in revised Exhibit III-H-1, correcting these errors does not change the outcome of the DCF analysis presented by defendants. The corrections are sponsored by Michael R. Baranowski of FTI Consulting.

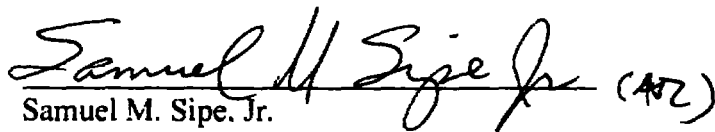
Respectfully submitted.

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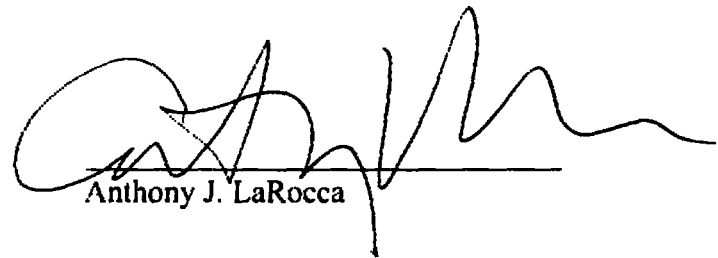
ATTORNEYS FOR
BNSF RAILWAY COMPANY

June 8, 2010

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of June, 2010, I caused a copy of the foregoing Errata to Joint Reply Evidence of Defendants BNSF Railway Company and Union Pacific Railroad Company to be served on the following Parties of Record by hand delivery:

William L. Slover
Robert D. Rosenberg
Christopher A. Mills
Daniel M. Jaffe
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1224 Seventeenth Street, N.W.
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Anthony J. LaRocca

Verification

Michael R. Baranowski is sponsoring the corrections contained in defendants' errata filing. Mr. Baranowski's qualifications are set forth in Section IV of defendants' Joint Reply Evidence, filed May 7, 2010.

I declare under penalty of perjury that I have reviewed the errata evidence that I have sponsored and that the contents thereof are true and correct. Further, I certify that I am qualified and authorized to sponsor this testimony.

Executed on June 8, 2010


Michael R. Baranowski

ATTACHMENT A

Highly Confidential Replacement Pages

Exhibit III-H-1

REDACTED

ATTACHMENT B

Replacement Pages Without Confidential Information

2. Track Miles and Weight of Track

BNSF/UP Reply Exhibit III.B-1 contains defendants' versions of the detailed schematic track and yard diagrams for the entire ANR system. Table III.B.3 below presents the constructed track miles for AEPCO's ANR and defendants' SARR scenarios. This table excludes the track miles for those portions of the various routes over which ANR operates via trackage rights.

TABLE III.B.3 ANR CONSTRUCTED TRACK MILES				
	AEPCO Miles	Reply ANR	ANR- PRB	ANR- NM
Main line track – Single first main track	2,201.97	2,208.03	1,606.88	448.34
– Other main track	1,108.07	1,111.38	627.83	309.45
Total main line track	3,310.04	3,319.41	2,234.71	757.79
Helper pocket, setout and MOW equip. tracks	29.02	29.38	24.70	5.94
Yard tracks	242.93	234.39	139.01	25.02
Total track miles	3,581.99	3,583.18	2,398.42	788.75

a. Main Lines

With respect to the ANR main line, the principal difference between the mileage calculated by AEPCO and defendants relates to the "other main track" category. This difference is made up of the understatement of the Reno Branch and Gallup Subdivisions, described above, and the additional running track to provide the capacity to handle the mainline traffic selected by AEPCO, as identified in defendants' RTC model.

Defendants accept AEPCO's proposed use of 136-pound continuous welded rail ("CWR") for all construction, other than the relay used between Walter Jct. and Mossmain. Defendants accept, as well, AEPCO's proposed use of head-hardened rail for track carrying over 50 million gross tons annually and on curves in excess of 3 degrees. Defendants also agree with AEPCO's specification that track and structures are designed to accommodate a gross weight on

ERRATA REPLACEMENT PAGE

quantities and cost for the alternative SARRs generally mirror those defendants use to develop them for ANR. Where distinctions need to be made or methodologies differ, they are discussed specifically below.

Summary Cost Comparison

Table III.F.1 below compares the construction costs for ANR included in AEPCO's opening evidence with the properly developed construction costs detailed in this Reply.

**Table III.F.1
Comparison of ANR Road Property Investment Cost
(\$millions)**

	<u>AEPCO ANR</u>	<u>Reply ANR</u>	<u>Difference</u>	<u>ANR - PRB</u>	<u>ANR NM</u>
Land	\$217.1	\$217.1	\$0.0	\$195.4	\$6.2
Roadbed Preparation	\$1,147.8	\$2,088.2	\$940.4	\$1,455.2	\$385.8
Track	\$2,518.7	\$2,982.9	\$464.2	\$1,962.7	\$670.3
Tunnels	\$54.5	\$74.2	\$19.7	\$74.2	\$0.0
Bridges	\$795.6	\$736.2	-\$59.4	\$459.5	\$202.8
Signals & Communications	\$294.5	\$331.3	\$36.8	\$221.1	\$54.9
Buildings & Facilities	\$131.0	\$225.4	\$94.4	\$124.5	\$50.6
Public Improvements	\$62.7	\$60.0	-\$2.7	\$43.3	\$12.0
Subtotal	\$5,222.1	\$6,715.3	\$1,493.2	\$4,535.9	\$1,382.6
Mobilization	\$56.5	\$123.0	\$66.5	\$83.2	\$24.7
Engineering	\$500.5	\$649.8	\$149.3	\$434.0	\$137.6
Contingencies	\$577.9	\$748.8	\$170.9	\$505.3	\$154.5
Total Road Property Investment	\$6,357.0	\$8,237.0	\$1,880.0	\$5,558.5	\$1,699.4

1. Land

Defendants accept AEPCO's assumptions regarding the cost of acquiring land for ANR. However, as noted in Section III.H.3, defendants reject AEPCO's treatment of January 1, 2009-based land values in the discounted cash flow model.